

THE CITY OF NEW YORK
CONFLICTS OF INTEREST BOARD

----- X
: **DISPOSITION**
: **COIB Case No. 2019-491**
: **RICHARD CARRANZA**
: **Respondent.**
: **----- X**

WHEREAS, the New York City Conflicts of Interest Board (the “Board”) commenced an enforcement action pursuant to Section 2603(h)(1) of Chapter 68 of the New York City Charter (“Chapter 68”), the City’s conflicts of interest law, against Richard Carranza (“Respondent”); and

WHEREAS, the Board and Respondent wish to resolve this matter on the following terms;

IT IS HEREBY AGREED, by and between the parties, as follows:

1. In full satisfaction of the above-captioned matter, Respondent admits to the following:
 - a. From April 2, 2018, to March 15, 2021, I served as the Chancellor of the New York City Department of Education (“DOE”). As such, I was a public servant within the meaning of and subject to Chapter 68.
 - b. Since 2015, DOE has participated in a program called “EduHam” in partnership with the producers of the *Hamilton* musical, the Rockefeller Foundation, and the Gilder Lehrman Institute of American History (“Gilder Lehrman”). EduHam includes a one-day event at the Richard Rodgers Theater that is emceed by a cast member of the Broadway show *Hamilton* and consists of student performances, a question-and-answer session with the Broadway cast, and a matinée performance of *Hamilton* (hereinafter referred to as the “EduHam Event”).
 - c. Tickets to the EduHam Event are provided to DOE through a partnership with the *Hamilton* producers, the Rockefeller Foundation, and Gilder Lehrman. Tickets to EduHam are not available to members of the general public.
 - d. Each EduHam Event is attended by more than one thousand DOE students and a small number of DOE staff members, most of whom are serving as chaperones. Tickets for students and chaperones are priced at \$10 each.
 - e. DOE distributes up to six tickets to each EduHam Event to DOE employees who are not chaperoning the event but have another DOE purpose for attending. These

tickets are for box seats with partially-obstructed views. While the face value of these tickets is \$0, the face value of comparable tickets for a public weekday matinee performance of *Hamilton* at the time was \$235.

- f. In April 2018, at my request, members of my staff reached out to the DOE Ethics Officer to inquire whether I could use an EduHam ticket so that my wife, who is not a DOE employee, could accompany me to an EduHam Event. The Ethics Officer concluded that I could not do so. My schedule changed and I could no longer attend the EduHam Event at that time, and, as a result, this advice was not communicated to me. I now understand that, at that time, the DOE General Counsel communicated the Ethics Officer's advice to my Chief of Staff.
- g. On April 3, 2019, my wife and I attended an EduHam Event along with a group of DOE students and DOE staff members. My wife and I sat in the partially-obstructed view box seats that are distributed to DOE employees not chaperoning the event.
- h. Prior to attending the EduHam Event on April 3, 2019, I asked my staff to inquire into whether I could use an EduHam Event ticket for my wife so that she could accompany me. My Chief of Staff advised me that I could bring my wife to the April 3 EduHam Event so long as I paid \$10—the price listed on EduHam Event tickets for students and chaperones—to Gilder Lehrman for the ticket, which I did. In so doing, I attempted in good faith to comply with the applicable rules.
- i. I did not inquire and confirm that my Chief of Staff, who is not an attorney, had consulted with the DOE Ethics Officer or the DOE General Counsel regarding my proposed use of an EduHam Event ticket for my wife. After my wife and I attended the EduHam Event, my Chief of Staff informed me that she had not consulted with either the DOE Ethics Officer or DOE General Counsel in 2019. She further reported that she did not recall the advice she received from the General Counsel in 2018.
- j. While I believed that I had made a good faith attempt to comply with the applicable rules, and although I did not realize it at the time, I now acknowledge that, by using an EduHam Event ticket for my wife to accompany me to the event, I violated § 2604(b)(3) of the City Charter, which provides:

No public servant shall use or attempt to use his or her position as a public servant to obtain any financial gain, contract, license, privilege, or other private or personal advantage, direct, or indirect, for the public servant or any person or firm associated with the public servant.

2. In assessing the appropriate penalty, the Board considered Respondent's assertion that he sincerely attempted to comply with the City's conflicts of interest law but concluded that Respondent's efforts were insufficient in that he did not consult with the Board, the DOE Ethics

Liaison, or the DOE General Counsel and did not ensure that his Chief of Staff had done so. The Board also considered that tickets to public performances of *Hamilton* are highly sought after and cost hundreds of dollars, that the ticket used by Respondent's wife was intended for use by a DOE employee, and that Respondent is an agency head who is held to a high level of compliance with the conflicts of interest law. Based on these factors, the Board determined that the appropriate penalty in this case is a fine of One Thousand One Hundred Dollars (\$1,100).

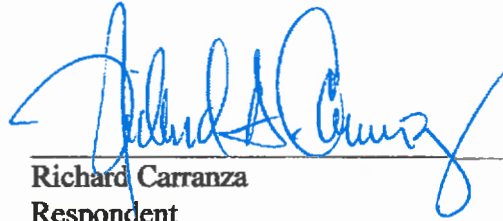
3. In recognition of the foregoing, Respondent agrees to the following:

- a. I agree to pay a fine of One Thousand One Hundred Dollars (\$1,100) to the Board by money order or by cashier check, bank check, or certified check made payable to the "New York City Conflicts of Interest Board" on or before March 23, 2021.
- b. I agree that this Disposition is a public and final resolution of the Board's charges against me.
- c. I knowingly waive on my behalf and on behalf of my successors and assigns any rights to commence any judicial or administrative proceeding or appeal before any court of competent jurisdiction, administrative tribunal, political subdivision, or office of the City or the State of New York or the United States, and to contest the lawfulness, authority, jurisdiction, or power of the Board in imposing the penalty which is embodied in this Disposition, and I waive any right to make any legal or equitable claims or to initiate legal proceedings of any kind against the Board or any members or employees thereof relating to or arising out of this Disposition or the matters recited therein.
- d. I confirm that I have entered into this Disposition freely, knowingly, and intentionally, without coercion or duress, and having been represented by an attorney of my choice; that I accept all terms and conditions contained herein without reliance on any other promises or offers previously made or tendered by any past or present representative of the Board; and that I fully understand all the terms of this Disposition.
- e. I agree that any material misstatement of the facts of this matter, including of the Disposition, by me or by my attorney or agent shall, at the discretion of the Board, be deemed a waiver of confidentiality of this matter.

4. The Board accepts this Disposition and the terms contained herein as a final disposition of the above-captioned matter only, and affirmatively state that other than as recited herein, no further action will be taken by the Board against Respondent based upon the facts and circumstances set forth herein, except that the Board shall be entitled to take any and all actions necessary to enforce the terms of this Disposition.

5. This Disposition shall not be effective until all parties have affixed their signatures below.

Dated: March 19, 2021



Richard Carranza
Respondent

Dated: March 18, 2021



Jeremy H. Temkin
Morvillo Abramowitz Grand Iason & Anello P.C.
Attorney for Respondent

Dated: April 15, 2021



Jeffrey D. Friedlander
Chair
NYC Conflicts of Interest Board